

BOARD OF DIRECTORS
SPECIAL BUDGET WORKSHOP #4

AUGUST 2, 2011

MINUTES

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township met in special session, open to the public, on August 2, 2011, posted to begin at 8:00 a.m. The meeting was held in the Meeting Room at the office of The Woodlands Township, Board Chambers, 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Chairman Bruce Tough, Vice Chairman Lloyd Matthews, Secretary Claude Hunter, Treasurer Ed Robb, Director Nelda Blair, Director Tom Campbell, and Director Peggy Hausman

DIRECTORS ABSENT: None

STAFF/ADVISORS: Don Norrell, President/General Manager, John Powers, Assistant General Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Nick Wolda, Director of Community Relations/CVB President, Karen Dempsey, Management Analyst, and Mary Connell, Manager of Community Relations

PLEDGE OF ALLEGIANCE:

Director Campbell led the Pledge of Allegiance to the U.S. flag and J.R. Moore, Montgomery County Tax Assessor-Collector, led the Pledge of Allegiance to the Texas State flag.

CALL TO ORDER:

Chairman Tough called the meeting to order at 8:00 a.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouses of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

CONSIDER AND ACT UPON ADOPTION OF MEETING AGENDA:

Chairman Tough called for a motion and second to adopt the meeting agenda.

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MOTION: Treasurer Robb moved to adopt the agenda; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: None

ACTION: Motion passed unanimously (7-0).

RECOGNIZE PUBLIC OFFICIALS:

No public officials were recognized.

PUBLIC COMMENT:

Chairman Tough recognized J.R. Moore, Montgomery County Tax Assessor-Collector.

RECEIVE, CONSIDER AND ACCEPT A REPORT FROM MONTGOMERY COUNTY TAX ASSESSOR AND COLLECTOR REGARDING THE 2011 EFFECTIVE TAX RATE AND ROLLBACK RATE:

Chairman Tough called on J.R. Moore to report on the 2011 effective tax rate and rollback rate. Mr. Moore provided handout material and discussed what will be published in the newspaper regarding the 2011 Property Tax Rates in The Woodlands Township. The Public Notice will include information about three tax rates which include last year's tax rate, current year's effective tax rate and current year's rollback rate. Mr. Moore reviewed a 2011 Planning Calendar and specifics regarding Notice of Public Hearing on Tax Increase and Notice of Tax Revenue Increase. Board discussion followed. Following Mr. Moore's presentation, the Chair called for a motion and second on the above item.

MOTION: Director Blair moved to accept the report from the Montgomery County Tax Assessor-Collector regarding the 2011 effective tax rate and rollback rate; second by Treasurer Robb

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: None

ACTION: Motion passed unanimously (7-0).

The Board recessed from public session at 8:42 a.m.

The Board reconvened in public session at 8:47 a.m.

Handout material is attached hereto as Exhibit "A".

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RECEIVE AND CONSIDER THE 2012 OPERATING BUDGET AND FIVE-YEAR PLAN;

Monique Sharp presented an overview of this item and referred the Board to handout material as she made her presentation. Ms. Sharp provided an analysis of the Property Tax Rate and then gave a general overview of the 2012 Budget and Five-Year Plan Summary. Ms. Sharp was asked to provide more detailed information regarding the Five-Year Plan. A period of questions and answers followed.

The Board continued to discuss specific items in the Five-Year Plan. Chairman Tough then asked Ms. Sharp to comment on what still needed to be discussed in order to conclude her presentation. Ms. Sharp stated that Director Campbell and Director Hunter had submitted comments on a few items to be considered on the 2012 budget.

It was the decision of the Board to move to the next agenda item regarding the record vote on the 2011 debt service tax rate and maintenance and operation tax rate. Following the record vote, the Board agreed to return to the above item for further discussion.

Handout material is attached hereto as Exhibit "B".

RECEIVE, CONSIDER AND ACT UPON THE PROPOSED 2011 DEBT SERVICE TAX RATE AND MAINTENANCE AND OPERATIONS TAX RATE;

MOTION: Director Blair moved to approve a proposed 2011 debt service tax rate of \$0.0204 per \$100 of taxable property value and a proposed 2011 maintenance and operations tax rate of \$0.3046 per \$100 of taxable property, for a total proposed 2011 property tax rate of \$0.325 per \$100 of taxable property; second by Secretary Hunter

Board discussion followed on the following budget items: Waterway Cruisers, Alpha & Omega, lease agreement with the Pavilion for a Permanent Ice Rink Facility, placeholder reserve for Recreational Amenities Development for Capital Project of \$1.5 million from all five years, enhancement to the Grogan's Mill Bridge, and Waterway Square Fountain songs. Marian Leck, Director of Law Enforcement for the Township, was called on to address Director Campbell's comments about Alpha & Omega.

Following discussion of the above items, Chairman Tough offered each Board member the opportunity to provide additional comments and then a vote was taken on the previously stated motion.

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Nays: Director Campbell
 Director Hausman
 Abstentions: None
 Absent: None

ACTION: Motion passed (5-2).

Secretary Hunter requested additional discussion time on the budget on August 4, 2011.

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RECEIVE, CONSIDER AND ACT UPON DATES AND TIMES FOR TWO PUBLIC HEARINGS ON THE PROPOSED 2011 DEBT SERVICE TAX RATE AND MAINTENANCE AND OPERATIONS TAX RATE:

Chairman Tough called on Don Norrell to present this item. Mr. Norrell discussed the scheduling of two public hearings on the proposed tax rate for August 11, 2011 and August 16, 2011 with an option to also hold two public hearings on the budget for the same dates that would precede the public hearing on the proposed tax rate. Following Mr. Norrell's comments, Chairman Tough addressed Secretary Hunter's request to have further Board discussion on the budget on August 4, 2011. The following motion and second were then made.

MOTION: Secretary Hunter moved to have further discussion by the Board on the 2012 Proposed Budget on August 4, 2011 at 8:00 a.m. to be held at the Board Chamber meeting room; second by Vice Chairman Matthews. Board discussion followed.

Following Board discussion, Secretary Hunter and Vice Chairman Matthews agreed to retract their motion and second with the provision that the Board would continue to discuss the budget at today's meeting and should additional budget discussion still be needed, the Board would meet again on August 4, 2011.

Ms. Sharp then provided a brief overview of the format for the Public Hearings on the proposed budget and tax rate. Following Ms. Sharp's comments, Chairman Tough called for a motion and second on dates and times for public hearings. Board discussion followed.

MOTION: Motion by Secretary Hunter and second by Director Blair to approve two separate public hearing dates on the budget and proposed tax rate as follows:

**Thursday, August 11, 2011: Public Hearing #1 on Budget at 6:00 p.m.
Public Hearing #1 on Tax Rate at 6:30 p.m.**

**Tuesday, August 16, 2011: Public Hearing #2 on Budget at 7:00 p.m.
Public Hearing #2 on Tax Rate at 7:30 p.m.**

The Public Hearings will be held at The Woodlands Township Service Center located at 2201 Lake Woodlands Drive, The Woodlands, Texas.

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: None

ACTION: Motion passed unanimously (7-0).

FURTHER DISCUSSION CONCERNING THE BUDGET AND IF NEEDED TAKE ACTION ON SPECIFIC ITEMS:

Chairman Tough stated that the Board would look at resolving issues concerning the operating budget and their impact on the budget. In a line item fashion, items of concern were discussed and then action was taken on the following:

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MOTION #1: Secretary Hunter moved to have staff recommend what can be done to marginally reduce the tax rate to 31.999 cents per \$100 valuation; no second was offered. The motion died due to lack of a second.

MOTION #2: Director Campbell moved to remove \$1.5 million as a placeholder reserve for Recreational Amenities Development for Capital Projects; second by Director Hausman. Board discussion followed.

VOTE: **Ayes:** Secretary Hunter
 Director Campbell
 Director Hausman
 Nays: Chairman Tough
 Vice Chairman Matthews
 Treasurer Robb
 Director Blair
 Abstentions: None
 Absent: None

ACTION: Motion failed (3-4).

MOTION #3: Director Campbell moved to remove funding in the amount of \$81,520 for the refurbishment of the Waterway Cruisers; second by Director Hausman. Board discussion followed.

VOTE: **Ayes:** Secretary Hunter
 Director Campbell
 Director Hausman
 Nays: Chairman Tough
 Vice Chairman Matthews
 Treasurer Robb
 Director Blair
 Abstentions: None
 Absent: None

ACTION: Motion failed (3-4).

MOTION #4: Director Hausman moved to take funding in the amount of \$47,500 that is allocated to The Friendship Center and defer action on this funding until a determination is made for the most effective use of these funds for senior transportation; second by Director Campbell. Board discussion followed with Vice Chairman Matthews offering a friendly amendment to leave the \$47,500 in the budget and then perform a study over the year regarding the most effective use of funds for senior transportation. Director Hausman did not accept the friendly amendment.

VOTE: **Ayes:** Director Campbell
 Director Hausman
 Nays: Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Abstentions: None
 Absent: None

ACTION: Motion failed (2-5).

DISCUSS FUTURE AGENDA/ANNOUNCEMENTS; AND

- Director Hausman asked to place the Ken Lakes Road issue on the agenda for August 18, 2011

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- August 4, 2011 budget workshop canceled

ADJOURN

As there was no further business to discuss, Chairman Tough called for a motion and second to adjourn the meeting at 11:10 a.m.

MOTION: Motion by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously (7-0).

(SEAL)





Claude Hunter
Secretary, Board of Directors

EXHIBIT OMISSIONS*

EXHIBIT "A"

EXHIBIT "B"

***To view Exhibits, please contact the Records Management Analyst at 281-210-3800.**